

**NEWCO GOVERNANCE COVENANTS**

These Governance Covenants will bind NewCo (the “**Company**”) and the Company’s Subsidiaries to operating requirements and controls that ensure that the Company and the Company’s Subsidiaries (i) develop, manufacture, distribute and sell all of their products, including all opioid products, in a safe and secure manner that limits the risk of diversion, (ii) comply with their respective obligations under the Public Entity Settlements and the Private Entity Settlements, (iii) pursue and implement Public Health Initiatives, (iv) comply with the Operating Injunction and (v) otherwise operate in accordance with the Company’s Purpose and take into account long-term public health interests relating to the opioid crisis and responsible, transparent and sustainable practices in the management of a pharmaceutical business.

Category	Covenant
<b>Governance</b>	<p><b>Purpose and Principles</b></p> <ul style="list-style-type: none"> <li>• In accordance with Section 2.3(a) of the Limited Liability Company Operating Agreement of the Company (the “<b>Operating Agreement</b>”), the purpose of the Company shall be to, directly and/or through the Company’s Subsidiaries, operate the Company Transferred Assets and any other assets of the Company or any of its Subsidiaries (i) in accordance with the terms of the Agreement, the Plan and the Confirmation Order, (ii) subject to the Operating Injunction and these Governance Covenants, and (iii) in a responsible, transparent and sustainable manner, taking into account the public interest in transparency regarding the Company and balancing: (x) the best interests of its stakeholders (including the direct and indirect holders of Interests in the Member), to fund and provide abatement of the opioid crisis, (y) effective deployment of the Company’s and the Company’s Subsidiaries’ Assets to address the opioid crisis, and (z) the best interests of third parties materially affected by the Company’s and the Company’s Subsidiaries’ conduct (collectively, the “<b>Company’s Purpose</b>”).</li> <li>• In accordance with Section 2.3(b) of the Operating Agreement, the Company shall not be required (and the Board shall not be required to cause the Company) to maximize the Company’s or the Company’s Subsidiaries’ sales or profits, but rather shall take all elements of the Company’s Purpose into account. In balancing the interests of the Member prior to implementation of the Company Disposition Event, the Board shall give priority to the Company’s obligation to fund the Minimum TopCo Distribution for the purpose of devoting funds to opioid abatement programs.</li> </ul> <p><b>Effectuation of the Company’s Purpose</b></p> <ul style="list-style-type: none"> <li>• In accordance with Section 2.3 of the Operating Agreement, the Company shall, and shall cause the Company’s Subsidiaries to, conduct their respective business in accordance with the Company’s Purpose and in a manner that complies with these Governance Covenants in order to ensure that each of the Company and the Company’s Subsidiaries, (i) develops, manufactures, distributes and sells all of its products, including all opioid products, in a safe and secure manner that limits the risk of diversion, (ii) complies with its obligations under the Public Entity Settlements and the Private Entity Settlements, (iii) pursues and implements Public Health Initiatives, and (iv) otherwise takes into account long-term public health interests relating to</li> </ul>

	<p>the national opioid crisis and responsible, transparent and sustainable practices in management of a pharmaceutical business.</p> <ul style="list-style-type: none"> <li>• The Company shall integrate the Company’s Purpose into material business activities and systems by: <ul style="list-style-type: none"> <li>○ providing relevant employees with at least annual training on the Purpose, the Injunction and these Governance Covenants. The Company shall provide appropriate, relevant training to new employees at the time of their onboarding.</li> <li>○ incorporating, under the oversight of the Board, to the extent relevant, the Company’s Purpose, the Injunction and these Governance Covenants into the Company’s controls, performance management programs, management and leadership oversight, and executive compensation schemes.</li> <li>○ vesting the appropriate committee of the Company Board with the responsibility for oversight of policy-setting and monitoring with respect to the Company fulfilling its Purpose; compensating and managing its workforce; maintaining legal compliance and otherwise fulfilling its obligations under these Governance Covenants.</li> <li>○ authorizing the Board and Board committees with the ability and the funding to retain external subject matter experts who may provide insight, recommendations and review of the Company’s strategic plans and programs for implementing these Covenants.</li> <li>○ subject to the Company’s obligation to distribute Excess Cash in accordance with Section 6.5(a) of the Operating Agreement, using reasonable efforts to ensure, in consultation with the Board, that the amount of unrestricted Cash and cash equivalents held by the Company and the Company’s Subsidiaries (other than MDT Distributable Sale Proceeds), as reflected on the consolidated balance sheet of the Company and the Company’s Subsidiaries, is adequate for purposes of ensuring the Company’s ability to comply with its obligation to fund Operating Expenses consistent with the Company’s Purpose and these Governance Covenants.</li> <li>○ taking, as determined by the Company Board, steps as needed to ensure that these Governance Covenants are integrated into the Company’s strategic plans, management controls and day to day operations.</li> </ul> </li> <li>• The Company will maintain programs and controls reasonably designed to manage risk and protect and strengthen its resilience and capacity to anticipate and manage business threats and disruptions. This shall include plans and programs relating to: (i) business continuity, (ii) crisis management; (iii) physical security; (iv) emergency management and response; and (v) IT disaster recovery. The Board (or an authorized committee thereof) shall review Purdue’s Business Continuity Plan dated May 2020 and may decide to have it apply to the Company or whether</li> </ul>
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	<p>another business continuity plan should be adopted in a manner consistent with the Company’s Purpose. The Board (or an authorized committee thereof) will review its business continuity plan from time to time and amend it if appropriate, in a manner consistent with the Company’s Purpose.</p> <p><b>Transparency &amp; Reporting</b></p> <ul style="list-style-type: none"> <li>• The Board shall cause the Company to prepare (i) in accordance with Section 8.3(c) of the Operating Agreement, semi-annual public benefit reports to be published publicly, which shall describe the effectuation of the Company’s Purpose, the short-term and long-term value being created by the Company, and the public benefits being achieved consistent with the Company’s Purpose (“<b>Public Benefit Reports</b>”), and (ii) in accordance with Section 8.3(b) of the Operating Agreement semi-annual financial and operating reports to be delivered to TopCo and NOAT.</li> <li>• The Board shall cause the Company to, from time to time, solicit and consider feedback from those stakeholders that the Board determines to be appropriate, in identifying material threats, opportunities, megatrends and material topics to the company to inform the Public Benefit Reports.</li> </ul>
<b>Access to Medicine - Public Health Initiatives</b>	<p><b>PHI Funding and Implementation</b></p> <ul style="list-style-type: none"> <li>• Subject to the parameters set forth in Section 6.2 of the Operating Agreement, including the PHI Budget Amount, the Company will pursue and implement the Public Health Initiatives, as defined in the Plan, by developing and distributing medicines to treat opioid addiction and reverse opioid overdoses in a manner consistent with the plans outlined in the PHI program plan, provided that such PHI program plan may be reviewed and amended from time to time by the Board (or an authorized committee thereof) in a manner consistent with the Company’s Purpose.</li> </ul>
<b>Product Diversion and Security</b>	<ul style="list-style-type: none"> <li>• The Company will maintain product security and diversion controls reasonably designed to ensure that the Company’s Products are sold and distributed in a manner that is safe, compliant and minimizes the risk of diversion and that is otherwise compliant with: <ul style="list-style-type: none"> <li>○ The Operating Injunction.</li> <li>○ applicable Drug Enforcement Administration regulations.</li> <li>○ relevant Standard Operating Procedures for Purdue Pharma L.P. and Associated US Companies including, without limitation, those governing the receipt, destruction, procurement, and handling of controlled substances, provided that such procedures may be reviewed and amended from time to time by the Board (or an authorized committee thereof).</li> </ul> </li> </ul>

	<ul style="list-style-type: none"> <li>• The Company shall operate a robust supply chain security program. The Board (or an authorized committee thereof) shall review Purdue's current applicable policies and program and decide whether to have them apply to the Company, or whether another program should be implemented, consistent with the Operating Injunction after taking into account the Company's Purpose. The Board (or an authorized committee thereof) will review the supply chain security program from time to time and amend the program if appropriate, in a manner consistent with the Company's Purpose.</li> </ul>
<b>Compliance and Ethics</b>	<p><b>Compliance and Regulatory Programs</b></p> <p>The Company will implement a comprehensive internal compliance management and assurance program that:</p> <ul style="list-style-type: none"> <li>○ is designed to ensure adherence to the Operating Injunction and these Governance Covenants in accordance with Section 6.7 of the Operating Agreement.</li> <li>○ is designed to ensure compliance with all applicable laws and regulations.</li> <li>○ is consistent with: (i) the Office of Inspector General Compliance Program Guidance for Pharmaceutical Manufacturers; (ii) the US Department of Justice Guidance on the Evaluation of Corporate Compliance Programs; and (iii) the PhRMA Code on Interactions with Healthcare Professionals.</li> <li>○ is reasonably designed to mitigate compliance risks applicable to a pharmaceutical business including, without limitation, those relating to: bribery and corruption; conflicts of interest; physical and product security; bioethics; clinical trial transparency and patient safety; provided that such Code of Ethics and policies may be reviewed and amended from time to time by the Board (or an authorized committee thereof) in a manner consistent with the Company's Purpose, and implemented through a Code of Ethics and the adoption of procedures, standards and other controls.</li> </ul>
<b>Environmental, Health, &amp; Safety</b>	<p><b>Environmental, Workplace Health &amp; Safety</b></p> <ul style="list-style-type: none"> <li>• The Company will maintain environment, workplace health and safety policies, programs and controls that: <ul style="list-style-type: none"> <li>○ are reasonably likely to ensure compliance with applicable laws and regulations.</li> <li>○ are reasonably designed to minimize any adverse impacts on the environment associated with the Company's operations or products, whether in use or at the end of their useful life.</li> <li>○ are reasonably designed to educate and enable Company employees and contractors to work in a safe, healthy and environmentally responsible manner.</li> </ul> </li> </ul>

	<ul style="list-style-type: none"> <li>○ reflect and embed leadership commitment to maintaining a safe, “zero injury” workplace.</li> <li>○ are reasonably designed to proactively identify and manage workplace hazards to employees and third parties.</li> <li>○ are reasonably designed to embed a culture of safety and wellbeing throughout the Company.</li> <li>○ are reasonably designed to continuously improve performance.</li> <li>○ enable the Company to transparently communicate performance to stakeholders through the Public Benefit Reports.</li> </ul>
<b>Diversity, Equity &amp; Inclusion</b>	<ul style="list-style-type: none"> <li>• The Company shall use reasonable efforts to strengthen its workforce, support local communities, and advance its Purpose through implementation of policies, programs and improvement targets that promote workplace diversity, foster equity, and advance a culture of inclusion throughout the organization (collectively, “Inclusion Programs”). The Board (or an authorized committee thereof) shall review Purdue’s current Inclusion Programs and may decide to have them apply to the Company or whether other Inclusion Programs should be adopted in a manner consistent with the Company’s Purpose. The Board (or an authorized committee thereof) will review its Inclusion Programs from time to time and amend them if appropriate, in a manner consistent with the Company’s Purpose.</li> </ul>
<b>Oversight</b>	<ul style="list-style-type: none"> <li>• On an annual basis, the CEO of the Company shall certify, solely in his or her capacity as an officer of the Company, that, after reasonable inquiry and based on his or her knowledge, the Company is in material compliance with these Covenants. The certification shall be provided to the Board, the State Monitor Committee (as defined in the Operating Injunction) and upon request, any State Attorney General.</li> <li>• In accordance with the Operating Agreement, under the oversight of the Board, the Company and its representatives shall cooperate with, and reasonably respond to requests for assistance by, the Monitor in the performance of the Monitor’s duties and responsibilities as provided for in the Plan, the Confirmation Order and the Operating Injunction, including by responding to reasonable requests for access to relevant books and records of the Company and the Company’s Subsidiaries. The reasonable compensation of, and costs and expenses incurred by, the Monitor in connection with its duties and responsibilities, including the fees and expenses of professionals retained by the Monitor shall be paid by the Company.</li> <li>• The Company will not amend the Operating Agreement, including by merger, consolidation, division or otherwise, (i) in any manner that is inconsistent with the Plan or the Confirmation Order without (I) an order of the Bankruptcy Court approving such modification, and (II) to the extent such proposed amendment adversely affects the Master Disbursement Trust, the unanimous consent of the MDT Trustees. The Company will</li> </ul>

	<p>give the Monitor 7 business days' written notice of any amendment to the Operating Agreement and will reasonably consider comments of the Monitor solely to the extent that the contemplated amendment would or would potentially alter, undermine or limit or interfere with the effectiveness or the implementation of the Operating Injunction. The Monitor shall promptly deliver such notice to the State Monitor Committee (as defined in the Operating Injunction).</p>
<b>Successors</b>	<ul style="list-style-type: none"><li>• Any successor owner (whether through one transaction or a series of related transactions) of the Opioid Business, shall be obligated to comply with the provisions of these Governance Covenants that are specifically enumerated under the category "Product Diversion and Security" and the matters described in clauses (i) and (iv) of Section 2.3(c) of the Operating Agreement; provided (x) that the obligations of any successor to comply with the Operating Injunction shall be as set forth in the Operating Injunction and (y) as long as a successor maintains internal standard operating procedures similar to the Standard Operating Procedures for Purdue Pharma L.P. and Associated US Companies, as may be amended from time to time by the Board, as appropriate and reasonable for such successor, taking into account such successor's size and resources, such successor shall not be obligated to adopt the Company's standard operating procedures.</li></ul>